



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

ISSUANCE OF NON-EXCLUSIVE RENT-A-CAR CONCESSIONS  
LANAI AIRPORT

LANAI

The Department of Transportation (DOT) proposes to offer a Rent-A-Car Concession (Concession) at Lanai Airport on the Island of Lanai. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the Concession Agreements and companion Premises Leases:

PURPOSE:

To award Concession Agreements and Premises Leases to one qualified Concessionaire submitting the highest bid to operate a non-exclusive Concession at Lanai Airport.

LEGAL REFERENCE:

Chapter 102, Hawaii Revised Statutes, as amended.  
Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Lanai Airport, Island of Lanai, Hawaii  
2<sup>nd</sup> Division – 4-9-02: Portion of 41

PREMISES:

- At the Commencement of the Premises Lease:
  1. Counter Space  
One counter in Building 310, specific location to be determined.
  2. Ready Stalls  
No more than four ready stalls, specific location to be determined.

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Rent-A-Car Concession, Lanai Airport  
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- During the term of the Agreement:

The DOT may, at the DOT's sole discretion, require or permit the Concessionaire to add additional spaces.

ZONING:

State Land Use: Urban  
County: Interim Zoning Provision of the Maui County Zoning Code

LAND STATUS:

Section 5(a), Hawaii Admission Act – Non-ceded  
DHHL 30% entitlement lands: Yes\_\_\_ No X

TERM:

The Concession Agreements will be for five years commencing on February 1, 2009, and ending on January 31, 2014. The Premises Leases will be for ten years commencing on February 1, 2009, and ending on June 30, 2019.

Should the Concessionaire not be a successful bidder for a successor Concession Agreement after the five-year term, the Premises Lease will terminate and be issued to the new successful bidder who will be responsible for compensating the Concessionaire for any unamortized cost of the leasehold improvements constructed on the Premises.

CONCESSION FEE AND PREMISES RENTAL:

The total annual concession fee established in the Concession Agreement shall be the greater of the following:

- Minimum Annual Guaranteed Fee. The minimum annual guaranteed concession fee for each year of the Concession Agreement shall be as set forth in the Concessionaire's Bid Proposal (hereafter the "MAG"), or
- Percentage Fee. Ten percent (10%) of the gross receipts of the concession.

The upset minimum annual concession fee shall not be less than TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00).

IMPROVEMENTS:

The Concessionaire will be required to invest a minimum total of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) for improvements, fixtures and equipment in all of the spaces assigned under the Agreement in accordance with DOT and county building standards.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

In accordance with the Comprehensive Exemption List approved by the Environmental Council and dated November 15, 2000, the subject qualifies under exempt Class of Action No. 1 – “Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.”

BASIS OF AWARD:

The award of the Agreement will be to the highest responsible bidder, based upon the total amount of the minimum annual guaranteed concession fee bid for the five-year term of the Concession Agreement.

REMARKS:

This would be the first on-airport Rent-A-Car concession at Lanai Airport. The Premises at the beginning of the concession will be limited to a counter in the terminal building and four parking stalls.

RECOMMENDATION:

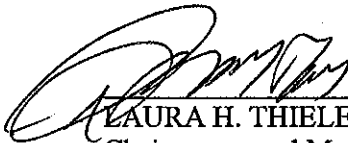
That the Board authorize the call for sealed bid tenders and issuance of a new non-exclusive Rent-A-Car concession subject to: 1) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interest of the State; and 2) review and approval by the Department of the Attorney General.

Respectfully submitted,



BRENNON T. MORIOKA, Ph.D., P.E.  
Director of Transportation

APPROVED FOR SUBMITTAL:

  
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LAURA H. THIELEN  
Chairperson and Member